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C O N F I D E N T I A L SECTION 01 OF 04 ISLAMABAD 000266

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TAGS: <u>PREL PGOV EAID PTER PK</u> SUBJECT: CODEL BIDEN'S MEETING WITH PRESIDENT ZARDARI

Classified By: Anne. W. Patterson for reasons 1.4 (b)(d)

- (C) Summary. During a January 9 meeting with President Zardari and Prime Minister Gilani, Senators Biden and Graham reasserted their support for passage of the Biden/Lugar aid legislation. However, Senator Biden noted that the U.S. public was financing its own economic recovery efforts and was weary of wars being fought in both Iraq and Afganistan. The U.S. was about to send additional troops to Afghanistan, and it was clear that success in Afghanistan depended on what happened in Pakistan. Senator Biden asked Zardari for the vision of the Pakistani civilian government, military and intelligence services on what kind of government in Afghanistan would be acceptable as a basis for regional peace that did not allow for the existence of terrorist safe havens. Senator Graham said he needed to be able to tell his constituents that a new Pakistani leadership was committed to fighting terrorism and supporting rule of law; six Americans had been killed in the Mumbai attacks, and Pakistan needed to prosecute those responsible.
- $\underline{\ }$ (C) Zardari asserted his government's commitment to fight terrorism and to prosecute those responsible for the Mumbai attacks. He praised Chief of Army Staff Kayani and explained that he supported a regional approach for tackling terrorism. However, he admitted that "we were not winning," even in settled areas of Pakistan like Swat, where the extremists had virtually taken over. Pakistan had used F-16sagainst its own people in the tribal areas. This created a large population of internally displaced persons fleeing the fighting, and the extremist religious groups had moved in to provide this population with assistance the government could not afford to give. Pakistan had the will to fight, said Zardari, but its institutions were weak. He asked for assistance to build capacity of his military forces and law enforcement. He requested help in convincing the Gulf states, which he said had bought off extremists in their countries, to at least provide Pakistan with oil assistance to address growing gas and electricity shortages. Zardari acknowledged the world recession and the donor weariness of the U.S. public, but he said that Pakistan only needed perhaps 20 percent of what the U.S. was providing to Afghanistan. End Summary.
- (C) On January 9, Ambassador and Senators Joseph Biden and Lindsey Graham met with President Asif Zardari and Prime Minister Yousaf Gilani in Islamabad. Also attending were Senate Foreign Relations Committee Staff Director Tony Blinken, SFRC Senior Staff Jonah Blank and Puneet Talwar, Polcouns (notetaker), Foreign Minister Shah Mehmood Qureshi, Presidential Secretary General Salman Farouqi, Ambassador to the U.S. Hussain Haqqani, and Foreign Secretary Salman

Bashir. Prior to the meeting, President Zardari presented Senator Biden with the Hilal-e-Pakistan medal to recognize his support as Chairman of the Senate Foreign Relations Committee for improving U.S.-Pakistani relations.

- 14. (C) Senator Biden described his first overseas visit after the U.S. presidential election as a fact finding mission. He had two messages for President Zardari and Prime Minister Gilani. First, that he respected the progress the new democratically elected government in Pakistan had made despite tumultuous events over the past year. Second, Senator Biden said that he continued to believe the U.S.-Pakistan relationship must shift from a transactional exchange to one based on sustained friendship. He had demonstrated that support through introduction of the Biden/Lugar legislation, which would, among other provisions, triple U.S. economic aid to Pakistan. That commitment was a real and personal effort to help Pakistan move in the direction it needed to go.
- 15. (C) Senator Biden said that he needed to be able to convince a war-weary American public, financing domestic economic revitalization, that the sacrifices they were being asked to make in Afghanistan would bring positive results.
- 16. (C) Success in Afghanistan depended on the U.S. partnership with Pakistan, said Senator Biden. He understood the security of Pakistan and Afghanistan were intertwined. To measure success in Afghanistan, he wanted to know how Pakistan defined success. In other words, what kind of a government and security situation would be acceptable to the

ISLAMABAD 00000266 002 OF 004

Pakistani government, military and intelligence services. What was Pakistan prepared to do and what does Pakistan want the U.S. to do to ensure our common security?

- 17. (C) Senator Graham said he fully supported the new administration; the election was over and the U.S. was going to speak with one voice. He had supported passage of the Biden/Lugar legislation in the Senate Foreign Relations Committee in the last Congress. When the legislation is debated in the new Congress, however, it may face amendments which add conditions that create problems for the long-term U.S.-Pakistan relationship. Additional troops were en route to Afghanistan, and we could not succeed in Afghanistan without Pakistani support.
- 18. (C) Senator Graham said he was prepared to help increase Pakistani capability to fight terrorists, but he needed to be able to tell his constituents that he had a commitment from the Pakistani leadership that they would defeat the extremism that threatens us all. This was an opportunity for Pakistan to show the world that things have changed here. Six Americans had been killed in the Mumbai attacks; he understood this had complicated Pakistan's relationship with India, but the world needed to see Pakistan prosecute those responsible. The new democratic government in Islamabad had a chance to demonstrate they were heroes who supported rule of law over rule of the gun. The U.S., too, had new leadership, but the window of opportunity to improve the Pakistan-Afghanistan situation was short, only a year. Now was the time to honor the spirit of change that Benazir Bhutto died for.
- 19. (C) Zardari began by saying, "welcome to a democratic Pakistan" and agreed that we must seek solutions in a regional framework. We should, he said, evaluate where we are after seven years in (post-9/11) Afghanistan and realize we have no more excuses. The Pakistan-Afghanistan relationship had improved; he had just had a successful visit with President Karzai. There is a new coalition government in Pakistan's Northwest Frontier Province (NWFP). Yet the extremists continue to gain ground. "Where have we gone wrong?" Zardari asked, "because the cancer is growing."

- 110. (C) Zardari gave his own analysis of the answer. The new democratic government in Pakistan, he said, has the will and the political authority to act but is struggling with the democratic phenomena of a public that wants instant results. He had been President for four months and the Prime Minister had been in power for nine months, but Pakistan had been suffering from these problems as far back as 1988. Solutions would require years and years, asserted Zardari. Pakistan's institutions were weak. It needed to enhance the capability of its Army, security forces and police.
- ¶11. (C) Zardari said he understood there was a world-wide recession, and that the U.S. public was suffering from war and donor fatigue. But Pakistan was willing to adapt; it needed perhaps "20 percent" of the billions the U.S. had spent in Afghanistan. Pakistan had problems but had to solve them its own way. The Army had done a "magnificent" job, thanks to the luck of having a "thinking general" in Chief of Army Staff General Kayani. But there were serious capability problems in the security forces. Pakistan also had 15,000 madrassahs churning out extremists. The legacy of the 1980's jihad against the Soviet Union had left a \$4 billion drug trade in the region that financed arms sales to the extremists across regional borders, including Tajikistan.
- 112. (C) Moving to the Mumbai situation and its nexus with terrorism on both Pakistan's eastern and western borders, Zardari said he supported regional peace; for example, he had gone out of his way to endorse a no-first strike policy with India. But Pakistan had many non-state actors within its borders. The government had arrested Lashkar-e-Taiba leaders and would prosecute them. But the Indians, facing an election, were using rhetoric that made it more difficult for Pakistan to act further. Senator Graham indicated he believed that the militants who executed the Mumbai attacks had set up Pakistan deliberately to weaken its will to fight extremists on its western border; Zardari agreed.
- 113. (C) The rich Gulf states, said Zardari, had bought themselves out of the problem by paying off extremists to

ISLAMABAD 00000266 003 OF 004

keep them in Pakistan rather than allow them to move to the Gulf. Pakistan could not afford to do this. We are paying our police \$50 a month and asking them to risk their lives without proper equipment or arms, said Zardari. The military and the civilian police both needed help in improving their capacity to fight.

- 114. (C) The economic crisis also restricted Pakistan's ability to take action. Zardari noted that he had warned former President Musharraf of an impending economic meltdown, but Musharraf couldn't see it. We, said Zardari, went to the IMF and accepted politically painful solutions. He had sought help from friends, including China, when the Gulf states refused to help. Zardari said he had avoided taking Iran up on its offer of assistance because of concerns about the U.S. reaction. He asked the delegation for U.S. help in convincing Saudi Arabia, Kuwait, Qatar and the UAE to join together to provide Pakistan with a special oil package so that the Pakistani government could reduce crippling gas and electricity prices. If they don't want the extremist problem on their doorstep, indicated Zardari, they have to help us. We have land, water, and markets but we need oil.
- 115. (C) "I'm sorry to say this," warned Zardari, "but we are not winning" against the extremists. "We need to acknowledge this. They are ruling in Swat (NWFP) and we are only pretending to rule there." He warned about a domino effect, saying that the Taliban's goal was to take over Pakistan. The Taliban want the same kind of "non-state" that exists in Afghanistan where they have freedom to do what they choose. They have asked that we buy them off, said Zardari, and we said no as this would only postpone the problem. We don't want this future for our children.

- 116. (C) Zardari said Pakistan had the spiritual, legal and physical resources to defeat the Taliban and had shown the will to act. He reminded the delegation that Pakistan was using its F-16s to bomb its own country and its own citizens. This created a growing community of internally displaced persons (IDPs) that the government could not care for. So the Dawa religious groups moved in to help, just like Hamas or Hizballah provided assistance in Gaza or Lebanon. It would take concerted regional and international help to reverse the current trend.
- 117. (C) We should not underestimate the militants, who largely went "into hibernation" after 9/11, said Zardari. They know that the U.S., Pakistan and Afghanistan need each other to defeat the militants, and they will work to undermine cooperation. "They (the Taliban) believe that the U.S. is unable to take the casualties required to win a 50 year war." Senator Biden sharply disputed the view that the U.S. was unwilling to take casualties and reminded Zardari of the thousands of losses America had sustained already.
- 118. (C) Senator Biden stated that, if the new Congress enacts the Biden/Lugar legislation, the U.S. would be in a position to provide additional economic assistance. This could help Pakistan build schools to counter the madrassah influence, for example. Senator Biden said that in the Senate he had supported providing increased military training and assistance to increase Pakistan's counter-insurgency capability. The U.S. was also working to organize an international donors' conference to ease the effects of IMF-mandated budget and fiscal policy cutbacks. For the Congress to support increased assistance, however, it was important that Pakistan demonstrate a unified commitment to fight extremism. Zardari responded that actions speak louder than words. If General Kayani or the intelligence services disagreed with the government's policy, then "I wouldn't be sitting in this chair."
- 119. (C) Closing the larger meeting, Senator Biden repeated his request for Pakistan's preferred vision of the Afghan state, whether it be a strong central government led by Pashtuns or a loose coalition of regional powers. However, the U.S. and Pakistan needed to have a "common songsheet" on the desired end state. Zardari agreed to provide his government's views.
- 120. (C) Senator Biden reiterated that the U.S. ability to help Pakistan depends on convincing the U.S. public within the next year that the cost, in terms of American dollars and

ISLAMABAD 00000266 004 OF 004

lives, is worth the investment in Pakistan and Afghanistan. See septel for a readout of the following smaller meeting between Senator Biden and Ambassador, Zardari, Gilani and Haqqani.

 $\underline{\mathbb{1}}21$. (C) Senator Biden has cleared on this message. PATTERSON